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CENTRAL FAX CENTER
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REMARKS

Kindly reconsider and withdraw the rejections, which are based on a misunderstanding of the structure and function of the primary reference (U.S. Patent 6,529,883 to *Yee et al.*). As a result of this misunderstanding, the rejections are erroneous because it is clearly evident that no ordinary artisan would truly modify *Yee* to attain the claimed invention. Further explanation follows.

As stated in the Response of November 22, 2006:

As described in the Background section of the present application, financiers such as credit card providers are concerned with fraudulent use of credit card numbers, and they prefer credit card transactions wherein the credit card being used is verified as being present at a particular location. Otherwise, a premium (e.g., a greater percentage of the purchase price) may be charged to the vendor to cover the cost of the increased risk that the transaction is fraudulent. The claimed system relates to verification of credit card presence by sending, when a charge authorization request is made, both typical charge authorization data *and also* data related to the identity (and thus the location) of a nearby utility meter. Since utility meters are fixed in their locations, and since many utility companies provide utility meters with unique identification numbers or other identifiers, meter identification can allow the location of a charge authorization request to be identified with a relatively high degree of certainty. As discussed in the application, the system can be used to make utility payments as well as payments for other goods/services.

Yee then relates to a prepayment utility metering system. A memory card is loaded with funds at a customer service center (column 2 lines 48-51). A utility meter 12 and customer terminal 11 are located in the customer residence (as illustrated in FIG. 1). The customer terminal is illustrated in greater detail in FIG. 4 (and is discussed at column 4 line 45 onward), and includes a card reader 41 for the memory card. The utility meter 12 is illustrated in greater detail in FIG. 5, and is discussed at column 5 line 35 onward. When a fund-loaded memory card is inserted into the customer terminal 11, its data is transmitted to the utility meter 12 over the power line (column 4 lines 49-62), and the funds loaded on the memory card are then credited to the utility meter 12 (column 6 lines 6-8) to allow prepayment for some amount of energy (or water, etc.). See also column 7 lines 18-41. The utility meter 12 has an IP address (column 4 lines 66-67, column 5 lines 50-52), and the memory card stores the address such that the card only funds the corresponding utility meter 12 (column 6 lines 9-12). Note that the utility company does not directly communicate with the utility meter 12 and/or customer terminal 11 (save for supplying electricity); rather, communication of information such as electricity consumption, etc. is stored by the customer terminal 11 on the memory card, which in turn communicates this data to the utility company when the card is reloaded with funds at the customer service center (column 2 lines 41-45, column 6 lines 43-45, column 7 lines 38-41). This is in accordance with *Yee*'s objective that the *Yee* system be easy and expensive to install (see column 1 lines 60-64): note that the *Yee* system is "self-contained" in that the utility meter 12 and terminal 11 can be installed/retrofit at some location, without the need to also install some form of data communication line between the system (the utility meter 12 and terminal 11) and the utility itself. Instead, data communication with the utility occurs through the memory card.

Peddie then simply describes a utility prepayment system wherein processor 20 monitors power consumption and allows a user to prepay for power via credit or debit transactions initiated at keypad 24 and display 23. A modem 27 communicates the credit/debit instructions to the utility, which processes the payments (see column 3 lines 53-57, column 4 lines 3-7). When the user approaches the limits of his/her prepaid limit, the display 23 can emit a signal that the user must apply additional payment for continued operation, and/or the processor 20 can intermittently cut power at switch 18 to indicate that power will soon be cut (column 4 lines 8-27).

It should therefore be evident that the claimed system is significantly different from that of *Yee* and *Peddie*, and cannot be said to be fairly suggested by these references. Initially, as noted by the Office Action, the *Yee* meter does not transmit any authorization request to obtain authorization of the transaction. More notably, the *Yee* meter neither transmits a transaction authorization nor does it transmit any location identifier. In fact, the *Yee* meter transmits nothing at all; it simply receives prepayment from the memory card and terminal 11 so that it continues to operate. The Office Action then reasons that:

It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify *Yee* to include that the utility meter transmits said authorization request to obtain said authorization of the transaction, as disclosed in *Peddie*, because it would advantageously allow to delegate this task to a third party service provider, thereby allowing to use less powerful processor in the meter and decrease operating cost.

This is not so. The *Yee* meter does not transmit a transaction authorization (e.g., a funds request), or any location identifier, and there is no benefit whatsoever to modifying *Yee* to include this feature: contrary to the assertion that this would allow use of a "less powerful processor in the meter and decrease operating cost," this would require that *Yee* incorporate some form of processor, modem, or other communications system whereby the *Yee* meter 12 (or terminal 11) could communicate with a "third party service provider" or authorization authority. This would *add* cost and complexity rather than decreasing it.

Further, recall that *Yee* only communicates financial information with the utility via the memory card since this avoids any need to install communications between the utility company and the terminal 11/meter 12, and allows the terminal 11/meter 12 to be readily retrofit into any location (e.g., there is no need to install a communications line between the terminal 11/meter 12 and the utility). Modifying *Yee* to include communication of a transaction authorization (e.g., a funds request) from the meter 12 to the utility is contrary to this purpose, and cannot be said to be an obvious modification. See MPEP 2143.01 (subsection entitled "The Proposed Modification Cannot Render The Prior Art Unsatisfactory For Its Intended Purpose").

The Final Office Action of February 20, 2007 found these arguments unpersuasive, stating that:

Applicant argues that modifying *Yee* to include communication of a transaction authorization from the meter to the utility would make *Yee* unsatisfactory for its intended purpose.

In response to applicant's argument, the examiner points out that *Yee* system specifically teaches communicating information (including meter identification number and a utility account number) between the meter and the utility (C. 3, l. 29-67), and obtaining authorization of the transaction. A necessary infrastructure, including network connection

between a bank, utility, and meter, is in place. Furthermore, the step of communicating financial information is disclosed. Therefore, modification of Yee to add that said financial information includes transaction authorization cannot change or destroy Yee system.

However, this is incorrect. *Yee does not communicate information between the meter and the utility, and the passages at column 3 lines 29-67 instead discuss the communication of information between a technician's service terminal 26 (see FIG. 1) and the utility;* see column 3 line 29 onward. As discussed in the November 22, 2006 Response, *Yee's* utility meter 12 *only* receives information from the customer terminal 11 provided at the same site, over the site's electrical wiring (see column 4 lines 49-62). This is done so that *Yee's* utility meter 12 can be credited with prepaid funds loaded onto a memory card inserted into the customer terminal 11 (see column 6 lines 6-12, column 7 lines 18-41). The utility company *does not* directly communicate with *Yee's* utility meter 12 and/or customer terminal 11, save for supplying electricity. Instead, all communication of information regarding funds, electricity consumption, etc. is stored on *Yee's* memory card by the customer terminal 11, with *Yee's* memory card communicating this data to the utility company when the card is reloaded with funds at the customer service center (column 2 lines 41-45, column 6 lines 43-45, column 7 lines 38-41).

Thus, *Yee* does not in fact include any "necessary infrastructure, including network connection between a bank, utility, and meter," as asserted by the Office Action, and there would be no benefit whatsoever to modifying *Yee* to transmit an authorization request to the utility, as in *Peddie*, because this is contrary to *Yee's* purposes. As noted previously, *Yee* seeks to have a self-contained system which is easy and expensive to install (see column 1 lines 60-64): *Yee's* utility meter 12 and terminal 11 can be installed/retrofit at some location, without the need to also install some form of data communication line between the system (the utility meter 12 and terminal 11) and the utility itself. Note that *Yee* does not even require installation of a data communication line between its terminal 11 and its utility meter 12: rather, the terminal 11 communicates with the utility meter 12 after being plugged in, via the site's preexisting electrical wiring system (see column 4 lines 49-62). Instead, data communication with the utility – both electricity consumption data and funds information data – occurs solely through the memory card (see column 2 lines 41-45), which is periodically transported to a customer service center or point-of-sale terminal for reloading with

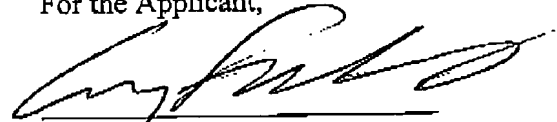
funds (column 2 lines 48-51). To incorporate communications directly between the meter and the utility as asserted by the Office Action – as by incorporating *Peddie*'s modem communications – would require that a communications line be installed and connected to *Yee*'s terminal 11 (or simply its utility meter 12) to communicate with the utility. But this defeats *Yee*'s objective of having an "easier and less expensive to install" system which can be readily retrofit without the need to modify existing wiring or install new wiring (see column 1 lines 60-63 and 32-42). It is thus contrary to *Yee*'s objectives to modify *Yee* in the manner asserted by the rejections, and the rejection should be withdrawn as per MPEP 2143.01 (subsection entitled "The Proposed Modification Cannot Render The Prior Art Unsatisfactory For Its Intended Purpose"). Consider that it appears that if one wanted a system as asserted by the Office Action, it appears one would simply use *Peddie*, without even using *Yee* in the first place.

The misunderstanding of *Yee* also bears on the Office Action's stated basis for combining *Yee* and *Peddie* in the first place: that having the *Yee* utility meter transmit the authorization request as in *Peddie* "would advantageously allow to delegate this task to a third party service provider, thereby allowing to use less powerful processor in the meter and decrease operating cost." However, *this simply makes no sense*. *Yee* already uses IP-based communications between its utility meter 12 and terminal 11 to communicate funds and power consumption data therebetween. If *Yee* was then modified to *also* communicate a transaction authorization between the meter and the utility, *how does this truly decrease processing capacity in the meter and/or decrease operating cost?* Consider that incorporating the features of *Peddie* actually *adds* cost and complexity, rather than reducing it, in that a communications line would need to be added. There would not in fact be any decrease in processor burdens or operating costs, and if it is still believed that there would be such a decrease, *kindly explain what/where it is..*

Because there is in fact no advantage to modifying *Yee* in the manner asserted, and since modifying *Yee* in the asserted manner is in fact contrary to *Yee*'s objectives, the rejections should be withdrawn.

If any questions regarding the application arise, please contact the undersigned attorney. Telephone calls related to this application are welcomed and encouraged. The Commissioner is authorized to charge any fees or credit any overpayments relating to this application to deposit account number 18-2055.

For the Applicant,



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